

## NEW HIRE REPORTING REQUIREMENTS



John Hoeven, Governor

### ALL EMPLOYERS TO REPORT ALL NEW HIRES

#### What must be reported?

Federal and state laws require that all employers must report the following information for each employee hired on or after October 1, 1997:

Employee's	✓ Name	✓ Address	✓ Social Security Number
Employer's	✓ Name	✓ Address	✓ Federal Tax Identification Number

#### How will new hire information be used?

The reported information will be used by the North Dakota Department of Human Services and by other state agencies in order to:

- Increase financial support for children by improved collection of child support.
- Increase collections on defaulted student loans and Department of Education grant overpayments.
- Decrease taxpayer burden.
- Decrease the likelihood of fraud in the unemployment compensation, workers compensation, and welfare programs.
- Verify employment and income of individuals participating in certain federal housing programs.

#### Who is an employer?

The definition of "employer" for new hire reporting purposes is the same definition used for federal income tax wage withholding purposes (as defined by section 3401(d) of the Internal Revenue Code of 1986) and includes any governmental entity and any labor organization. As a general rule, if an employer is required to give an employee a W-2 form showing the amount of taxes withheld, the employer must comply with the new hire reporting requirements.

#### Who is an employee?

The definition of "employee" for new hire reporting purposes is the same definition used for federal income tax wage withholding purposes (as defined by Chapter 24 of the Internal Revenue Code of 1986). As a general rule, if an employee is given a W-2 form showing the amount of taxes withheld, that employee fits the definition for new hire reporting.

#### When is an individual considered a new hire?

An individual is considered a new hire on that individual's first day of work. (The first day in which an individual performs services for pay and the first day in which an employer begins to withhold amounts for income tax purposes.)

#### When must an employer report?

The report must be made no later than 20 days after the date the employee is hired. If the report is transmitted electronically, the report may be made by two monthly transmissions. These transmissions, however, must be made not less than 12 nor more than 16 days apart.

## How does an employer report?

Some convenient reporting methods include:

1. **Internet reporting via a secure and encrypted website.** Go to [www.childsupportnd.com](http://www.childsupportnd.com) "Child Support Online Services" to report individual new hires via a secure and encrypted Internet website.
2. **Secure and encrypted web file transfer.** A secure and encrypted web-based method to send a file that includes multiple new hires. The record layout for the web file transfer can be found at [www.childsupportnd.com](http://www.childsupportnd.com) "Employer Information" "New Hire Reporting." Employers must call the Child Support Enforcement program to set up the web file transfer process.
3. **Payroll service.** Employers using a payroll or accounting service should consider asking the service to report new hires for the employer.
4. **Printed list.** A printed list with the required information is faxed or mailed.
5. **New Hire Reporting form.** The Department of Human Services has prepared a form comparable to the W-4 form which employers may submit by fax or mail.
6. **W-4 form.** After a newly hired employee completes this federal form, the required employer information is completed on lines 8 and 10 and the W-4 is faxed or a copy is mailed.

## What happens if an employer does not report?

The Department of Human Services may issue a written warning to an employer who fails to file a timely, complete, and correct report. Continued noncompliance may result in a civil money penalty of \$20 for each failure to report. If there is conspiracy between the employer and employee not to report, the civil money penalty levied against the employer may be increased to \$250 for each failure to report.

## What if an employer has employees who are employed in more than one state?

Multistate employers who transmit reports using reporting methods 1 or 2 above may elect to report all new hires to a single state in which they have employees. To exercise this option, multistate employers must identify one state for reporting new hires and must notify the Secretary of the United States Department of Health and Human Services of the state chosen. This notification must be submitted either in writing or via the federal Office of Child Support Enforcement website (<http://151.196.108.21/ocse/>).

## Where does an employer send new hire information? Who does an employer call if he or she has questions regarding new hire reporting?

Child Support Enforcement  
Department of Human Services  
PO Box 7369  
Bismarck, ND 58507-7369

Fax:	(701) 328-5497
E-mail:	<a href="mailto:sohire@state.nd.us">sohire@state.nd.us</a>
Telephone:	(701) 328-3582
Toll free in ND:	1-800-755-8530
For TTY service:	1-800-366-6888

For Internet reporting, go to [www.childsupportnd.com](http://www.childsupportnd.com)  
(Click on "Child Support Online Services")